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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

14 SEP 1994

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Honorable Tom Bevill
U.S. House of Representatives
2302 Rayburn House Office Building
Washington, D.C. 20515-0104

DOCKET FILE COPY ORIGINAL

Dear Congressman Bevill:

This letter is in response to your letter of June 20, 1994, regarding the letter of your constituent, Mrs. Arnell Hopper. Her letter specifically addressed the need to ensure that licenses for broadband Personal Communications Services (PCS) are disseminated among a wide variety of applicants, including small businesses, rural telephone companies, and businesses owned by minorities and women.

At its June 29, 1994 agenda meeting, the Commission adopted service-specific rules for broadband PCS, including a "Competitive Opportunity Plan" that establishes two "entrepreneurs' blocks" for smaller businesses. These blocks together consist of 986 licenses, which will be authorized for operations within Basic Trading Areas (BTAs). Eligibility for these blocks will be limited in order to safeguard for small businesses, including those owned by minorities and women, the ability to participate in the auctions without competition from the largest of companies. Within the entrepreneurial blocks, the Commission established a range of provisions to address the most challenging barrier to entry by designated entities -- that is, access to capital. These provisions include bidding credits, installment payment plans, tax certificates and relaxed attribution standards for small businesses and businesses owned by minorities and women. For example, within the entrepreneurs' blocks, businesses with less than \$40 million in gross revenues for the three preceding years (including revenues of their affiliates) are eligible for bidding credits of 10 percent, and small businesses owned by women or minorities are eligible for bidding credits of 25 percent. In addition, bidders in the entrepreneurs' blocks will receive a 25 percent discount from the ordinary upfront payment. Furthermore, most winning bidders within the entrepreneurs' blocks may pay for their licenses in installments, thus deferring payments of principal on their debt to the government. In addition, the Commission recently proposed a similar Competitive Opportunity Plan for the auctions that will award certain regional narrowband PCS licenses.

The Commission also established rules permitting rural telephone companies to obtain broadband PCS licenses that are geographically partitioned from larger PCS service areas. Rural telephone companies: (1) may form bidding consortia to participate in auctions, and then partition the licenses won among consortia participants, or (2) may acquire partitioned broadband PCS licenses from other licensees through private negotiation and agreement either before or after the auction.

The Commission has sought to implement the Congressional intent of Section 309(j) of the Communications Act, passed by Congress in August 1993, to bring tangible opportunities for participation to individuals and entities that are historically precluded from providing

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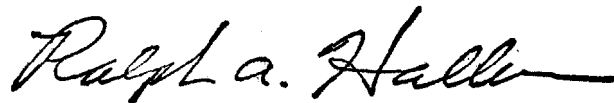
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Honorable Tom Bevill

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telecommunications services. It has sought to ensure that competition and participation by all segments of society will become the enduring standard for the future. Enclosed is a summary of the Commission's action of June 29. If you would like additional information, feel free to call Julia Kogan of my staff at (202) 632-7125.

Sincerely,

A handwritten signature in black ink, reading "Ralph A. Haller" with a long horizontal flourish extending to the right.

Ralph A. Haller
Chief, PCS Task Force &
Chief, Private Radio Bureau

Enclosure

TOM BEVILL

4TH DISTRICT, ALABAMA

DEPUTY WHIP

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Congress of the United States
House of Representatives
Washington, DC 20515-0104

June 20, 1994

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*P.R.
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2896

The Honorable Reed Hundt
Chairman
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Dear Chairman Hundt:

RE: Mrs. Arnell Hopper
P.O. Box 10
Walnut Grove, Al 35990

The attached communication is submitted for your consideration, and to ask that the request made therein be complied with, if possible.

If you will advise me of your action on this matter and have the letter returned to me with your reply, I will appreciate it. Please respond to my Washington office.

Thank you in advance for your time and attention in this matter.

With kindest personal regards, I am

Sincerely yours,



Tom Bevill, M. C.

TB/jfh



205-589-6301

HOPPER TELECOMMUNICATIONS COMPANY, INC.

P. O. BOX 10

WALNUT GROVE, ALABAMA 35990-0010

June 6, 1994

The Honorable Tom Bevill
U. S. House of Representatives
2302 Rayburn Bldg.
Washington, D. C. 20515

Dear Congressman Bevill,

I am writing to express my concern about pending action by the Federal Communications Commission to eliminate separate PCS (personal communications services) license blocks for rural telephone companies and other designated entities.

Your immediate attention is requested because the FCC will address PCS service issues at its June 9th meeting and PCS auction rules shortly thereafter.

This is a serious matter for your rural constituents and their ability to obtain the benefits of modern telecommunications services like PCS in a timely manner, at reasonable prices.

If the Commission takes this action to eliminate separate auction treatment for designated entities, rural telephone companies and their customers will effectively be left out of PCS, and the field will be left to major carriers serving population centers.

And most importantly, the Congressional mandate to promote universal service and economic opportunity by disseminating licenses among a wide variety of applicants, including rural telephone companies, will go by the wayside.

We're not asking the FCC for special treatment, we are asking for the level playing field Congress mandated so, as small business, we can compete for our share of these emerging markets.

Without separate auction treatment for rural telephone companies and other designated entities, a few telecommunication giants will have the overwhelming financial advantage going into the auction process. And the result will be the opposite of Congressional intent--the PCS field will be dominated by the few rather than the competitive diversity

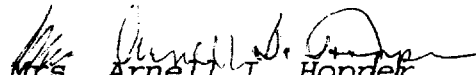
of many.

I urge you to take immediate steps to make sure that the FCC fulfills its Congressional mandate and retains separate license blocks for rural telephone companies and other designated entities.

Thank you for your attention to this important matter.

Sincerely,

HOPPER TELECOMMUNICATIONS
COMPANY, INC.


Mrs. Arnell I. Hopper
President

AIH/mm